

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

RECEIVED BY

FEB 10 1994

CC - MAIL ROOM

In The Matter of Policies
and Rules Concerning Toll
Fraud.

)
)
)
)
)

CC Docket No. 93-292

REPLY COMMENTS OF
FLORIDA PAY TELEPHONE ASSOCIATION, INC.

KENNETH A. HOFFMAN, ESQUIRE
FLOYD R. SELF, ESQUIRE
Messer, Vickers, Caparello, Madsen, Lewis,
Goldman & Metz, P.A.
P.O. Box 1876
Tallahassee, FL 32302-1876
(904) 222-0720
Counsel for Florida Pay Telephone
Association, Inc.

February 9, 1994

No. of Copies rec'd
List ABCDE

249

RECEIVED BY

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FEB 10 1994

In The Matter of Policies
and Rules Concerning Toll
Fraud.

CC Docket No. 93-292

CC MAIL ROOM

**REPLY COMMENTS OF
FLORIDA PAY TELEPHONE ASSOCIATION, INC.**

Florida Pay Telephone Association, Inc. ("FPTA"), submits the following reply comments in response to the comments filed pursuant to the Notice of Proposed Rulemaking ("Notice"), FCC-93-496, released on December 2, 1993 by the Federal Communications Commission ("FCC") in the above captioned proceedings.

I. INTRODUCTION AND SUMMARY OF REPLY COMMENTS

As with its initial comments filed on January 14, 1994, the FPTA shall limit its reply comments to the area of the Notice addressing pay telephone fraud prevention, contained within paragraphs 27 through 31 of the Notice.

On the basis of the record developed in this docket, the FCC should adopt the Florida fraud rule for pay telephones without any changes. All of the parties agree that each carrier involved in the completion of a pay telephone call should act to prevent fraud. However, those who oppose the FCC's adoption of the Florida fraud rule ignore the fact that without the proper economic incentive, development and implementation of fraud prevention equipment, services, and practices will not become a reality. Only when liability and responsibility are coordinated, which occurs under the Florida rule, will each carrier fully respond to the fraud problem.

II. REPLY COMMENTS

The parties submitting comments in this proceeding all seem to agree that each participant in the completion of a pay telephone call should work to prevent pay telephone fraud. However, some parties oppose the assignment of liability inherent in the Florida fraud rule claiming that such an assignment would have the opposite effect. However, the experience in Florida well demonstrates that with the assignment of fraud liability comes the undertaking of fraud responsibility. Thus, only under the Florida rule will each party to the pay telephone call act responsibly to prevent fraud.

The intersection between the issue of responsibility and liability is best demonstrated by the incoming international collect call problem addressed by several of the parties in their initial comments. GTE, for example, states that the local exchange companies ("LECs") and interexchange carriers ("IXCs") should not be held responsible for fraud associated with incoming international collect calls, but that the problem can be minimized by assignment of specific number blocks to pay telephones (e.g., use of the 8000 and 9000 series) or use of the "cuckoo tone." GTE Comments, at 10.

Notwithstanding any value that may be derived from adoption of the two practices identified by GTE, this approach addresses only symptoms and not causes. For incoming international calls the responsible solution is for the domestic carrier completing the call to access the line information database ("LIDB") and validate the call. AT&T has stated in its Comments that it is now

validating incoming international collect calls completed to 8000 and 9000 series telephone numbers. AT&T Comments, at 27 and n. 39. But all carriers do not validate, i.e., take responsibility for, incoming international collect calls, and they will not validate these calls until the economics of completing such calls make it more economical to validate. In this case, the Florida fraud rule provides the right incentive for each carrier since the pay telephone provider must subscribe to the LEC screening service, the LEC must act to ensure that such information is properly maintained in LIDB, and the IXC must act to validate the call.

In evaluating the effectiveness of the Florida rule, it must be remembered that a preexisting condition in Florida is the requirement that the pay telephone provider buy operator screening, billed number screening, and international call blocking, a fact overlooked by some of the Comments. Purchase of these services, which should be mandatory and offered at no more than cost to the pay telephone service provider, is a vital part of the solution to the pay telephone fraud problem. But fraud prevention in Florida has not stopped with screening and blocking and the resulting assignment of any liability.

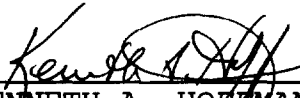
Rather, the Florida rule compels each carrier to make the rationally economic decision -- undertake all reasonable fraud prevention measures. For example, BellSouth discussed in its Comments changed practices involving the location of network interfaces, implementation of prebill edits, and the elimination of secondary dial tone reordering. BellSouth Comments, at 8. The

FPTA believes that the coordination of liability and responsibility has fostered a better working relationship between the competitive pay telephone service providers and LECs that has led to additional fraud prevention measures and continued activities to improve these services and develop additional services. In the final analysis, contrary to the suggestions of GTE and Sprint, assignment of liability does not "mask" the fraud problem. GTE Comments, at 11; Sprint Comments, at 9. Instead, the Florida rule has maximized the development of workable fraud prevention solutions.

III. CONCLUSION

While there is general agreement that all should work to prevent fraud on pay telephones, some parties are opposed to the adoption of the Florida rule because they believe the carriers will be too preoccupied with liability issues and not focused upon fraud prevention. Yet, the Florida experience makes it quite clear that assignment of liability compels each carrier to act responsibly. Accordingly, the Florida Pay Telephone Association recommends that on the basis of the record that the FCC adopt the Florida fraud rule for pay telephones without any further changes.

Respectfully submitted,


KENNETH A. HOFFMAN, ESQUIRE
FLOYD R. SELF, ESQUIRE
Messer, Vickers, Caparello, Madsen, Lewis,
Goldman & Metz, P.A.
P.O. Box 1876
Tallahassee, FL 32302-1876
(904) 222-0720
Counsel for Florida Pay Telephone
Association, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Reply Comments of Florida Pay Telephone Association, Inc. have been sent by U.S. Mail on this February 9, 1994 to the following parties of record:

Kathleen Levitz, Chief
Common Carrier Bureau
Federal Communications
Commission
1919 M Street, N.W., Room 500
Washington, D.C. 20554

Linda Dubroof
Common Carrier Bureau
Federal Communications
Commission
1919 M Street, N.W., Room 644
Washington, D.C. 20554

Gerald P. Vaughn
Deputy Bureau Chief -
Operations
Common Carrier Bureau
Federal Communications
Commission
1919 M Street, N.W. - Room 500
Washington, D.C. 20554

International Transcription
Service, Inc.
1919 M Street, N.W., Room 500
Washington, D.C. 20554

Martin T. McCue
General Counsel
Linda Kent
Associate General Counsel
United States Telephone
Association
Suite 800
900 19th Street, N.W.
Washington, D.C. 20006-2105

Francine J. Berry
Robert J. McKee
Michael C. Lamb
AT&T
Room 3244J1
295 North Maple Avenue
Basking Ridge, NJ 07920

Douglas F. Brent
9300 Shelbyville Road
Suite 700
Louisville, KY 40222

James E. Taylor
Richard C. Hartgrove
John Paul Walters, Jr.
Southwestern Bell Telephone
Company
One Bell Center, Room 3520
St. Louis, MO 63101

Gail L. Polivy
GTE Service Corporation
1850 M Street, N.W.
Suite 1200
Washington, D.C. 20036

M. Robert Sutherland
Richard M. Sbaratta
Helen A. Shockey
BellSouth Telecommunications,
Inc.
4300 South Bell Center
675 West Peachtree Street, N.
Atlanta, GA 30375

Leon M. Kestenbaum
Phyllis A. Whitten
Norina T. Moy
1850 M Street, N.W., Suite 1110
Washington, D.C. 20036

Pamela J. Andrews
Attorney for the Ameritech
Operating
Companies, Room 4H74
2000 West Ameritech Center
Drive
Hoffman Estates, IL 60196-1025

Benjamin J. Griffin
Lynn E. Shapiro
Reed Smith Shaw & McClay
1200 18th Street, N.W.
Washington, DC. 20036

William M. Marvick
Bar Enrollment #17893
240 E. High Street, #202
Jefferson City, MO 65101

Gregory A. Ludvigsen
706 Second Avenue South
Suite 500
Minneapolis, MN 55402-3006

Thomas M. Zarr
Scott W. Lee
Randle, Deamer, Zarr &
Lee, P.C.
Suite 330
139 East South Temple
Salt Lake City, UT 84111

John E. Silent
Hirn Reed & Harper
2000 Meidinger Tower
Louisville, KY 40202

Raymond S. Heyman
Ashley D. Adams
O'Connor, Cavanaugh, et al.
One East Camelback Road
Suite 1100
Phoenix, AR 85012-1656

Stephen W. Rimmer
Rimmer, Rawlings, et al.
1290 Deposit Guaranty Plaza
Jackson, MS 39201

Keith J. Roland
Roland, Fogel, Koblenz & Carr
One Columbia Place
Albany, NY 12223

Newton W. Galloway
Mullins & Whalen
P. O. Box 133
Griffin, GA 30224

Martin A. Mattes
Richard A. Goldberg
One Maritime Plaza, Suite 300
San Francisco, CA 94111

Vincent Townsend, President
North Carolina Payphone
Association, Inc.
3714 Alliance Drive, Suite 301
Greensboro, NC 27407

Albert H. Kramer
Robert F. Aldrich
Douglas E. Rosenfeld
Kek, Mahin & Cate
1201 New York Avenue, N.W.
Washington, D.C. 20005-3919

Paul C. Besozzi
Besozzi, Gavin & Craven
1901 L Street, N.W.
Suite 200
Washington, D.C. 20036

Judith St. Ledger-Roty
Lynn E. Shapiro
Reed Smith Shaw & McClay
1200 18th Street, N.W.
Washington, D.C. 20036

Mary J. Sisak
Donald J. Elardo
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

John M. Goodman
1710 H Street, N.W.
Washington, D.C. 20006

William Wyrough, Jr.
Florida Public Service
Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

Edward R. Wholl
George J. Brennan
120 Bloomingdale Road
White Plains, NY 10605

BY: 